



ROBERT CHARLES LESSER & CO., LLC

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**FISCAL IMPACT ANALYSIS OF DOUGLAS PARK  
LONG BEACH, CALIFORNIA**

*Prepared for:*

**BOEING REALTY CORPORATION**

September 2004

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## EXECUTIVE SUMMARY

### Background

Boeing Realty Corporation proposes to develop Douglas Park, a 261-acre, multi-use, master-planned development located on Boeing landholdings in Long Beach. Approximately 238 acres of the project site is located within the City of Long Beach and 23 acres are located within the City of Lakewood. The land use plan for Douglas Park envisions both commercial and residential land uses. Proposed commercial development would comprise 3.3 million square feet of commercial office, research and development, light industrial, retail space and 400 hotel rooms. Proposed residential uses encompass 1,400 for-sale and rental residential units. The proposed zoning for the site allows flexibility with respect to the type and distribution of commercial and residential land uses.

For the purpose of this analysis, certain assumptions regarding these uses and their distribution between the Cities of Long Beach and Lakewood have been made. Specifically, it has been assumed that 2.9 million square feet of space would be located in the City of Long Beach and 360,000 square feet would be located in the City of Lakewood.

Boeing Realty Corporation engaged Robert Charles Lesser & Co., LLC (RCLCo) to determine the fiscal impact of the proposed Douglas Park on the City of Long Beach's General Fund. With this knowledge, both the Developer and the City may understand the fiscal implications of a development of this magnitude on the City's public services.

### Objective

The objective of this assignment is to determine the net fiscal impact of Douglas Park on the City of Long Beach's General Fund at full build-out. For purposes of this report, RCLCo defines *fiscal impact* as the direct, incremental effect that the development would have on the recurring annual revenues and expenditures of the City's General Fund. This fiscal analysis builds on the existing cost and revenue relationships prevalent in the City's current General Fund.



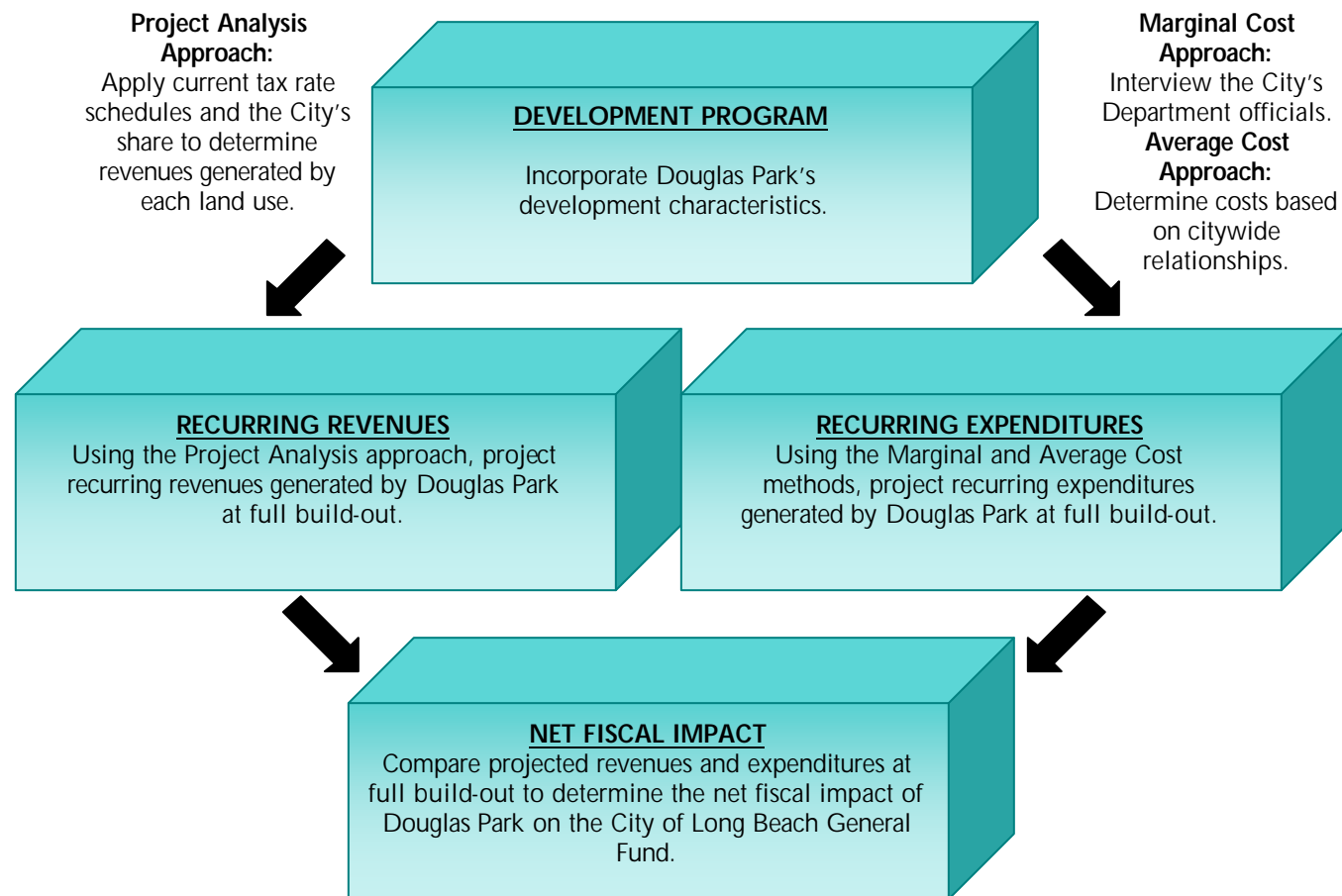
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## Methodology

To meet the stated objective, RCLCo conducted the following methodology:

*Figure 1*

*Methodology Flow Chart  
Douglas Park Fiscal Impact Analysis*



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## Conclusions

### *Net Fiscal Impact*

Douglas Park is anticipated to have an overall positive net fiscal impact on the City of Long Beach General Fund at build-out, ranging from \$3.6 million annually under the Marginal Cost Approach to \$2.4 million per year under the Average Cost Approach (in constant 2003 dollars). (Exhibits I-1 and 1-2)

*Figure 2*

### *Net Annual Fiscal Impact at Project Build-Out Douglas Park, Long Beach*

CATEGORY	RECURRING TOTAL AT BUILD-OUT
ANNUAL REVENUES	\$5,644,000
ANNUAL EXPENDITURES	
Marginal Cost Approach	\$2,049,000
Average Cost Approach	\$3,223,000
NET FISCAL IMPACT	
Marginal Cost Approach	\$3,596,000
Average Cost Approach	\$2,421,000



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## PROJECT DESCRIPTION

### Land Use Distribution

Boeing Realty Corporation proposes to develop Douglas Park, a multi-use planned development comprising: 1) commercial uses -- 3.3 million square feet of commercial office, research and development, light industrial, retail space and 400 hotel rooms; and 2) residential uses -- 1,400 for-sale and rental residential units. Total acreage is 261.0 acres of which 238 acres are in Long Beach; net developable acreage is 219.6 acres of which 199.4 are in Long Beach. The proposed zoning for the site allows flexibility with respect to the type and distribution of commercial and residential land uses.

*Figure 3*

*Land Use Distribution, Douglas Park*

LAND USE	PROPOSED PLAN		
	UNITS/SF/ROOMS	ACRES	MARKET VALUE
Office	900,000 SF	36.9	\$153.9 MM
R&D	1,000,000 SF	54.2	\$126.7 MM
Light Industrial	840,000 SF	32.1	\$65.8 MM
Retail	200,000 SF	10.1	\$46.9 MM
Hotel	400 Rooms	3.9	\$41.2 MM
For-Sale Residential	1,016 Units	78.2	\$476.8 MM
Rental Apartments	384 Units	9.6	\$82.1 MM
Open Space		13.0	\$0.0 MM
<b>TOTAL</b>		<b>238.0</b>	<b>\$993.4 MM</b>
Total Space	2,940,000 SF		
Total Rooms	400 Rooms		
Total Units	1,400 Units		



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For the purpose of this analysis, certain assumptions regarding these uses and their distribution between the Cities of Long Beach and Lakewood have been made. Specifically, it has been assumed that 2.9 million square feet of space would be located in the City of Long Beach and 360,000 square feet would be located in the City of Lakewood. Figure 3 above provides a summary of the Preferred Plan by land use. (Exhibit I-3)

## Market Value

The total market value for Douglas Park is estimated at \$993.4 million (constant 2003 dollars). Slightly more than half (56%) of the market value of the project is attributed to residential land uses. For-sale residential market values are based upon August 2004 market values, adjusted to reflect 2003 dollars. (Exhibit I-3)

## Population

Douglas Park would generate a total of 2,740 new residents at full build-out, representing an average household size of 1.96 residents per unit. The additional population created by these two developments would increase the City's current population, approximately 481,000 residents, by 0.6%. (Exhibit I-4)

## Infrastructure and Property Owners Association

Boeing Realty Corporation intends to fund the construction of all street-related improvements (roads, signalization, median, street lighting, signage and landscaping) and public utilities required to create the developable land.



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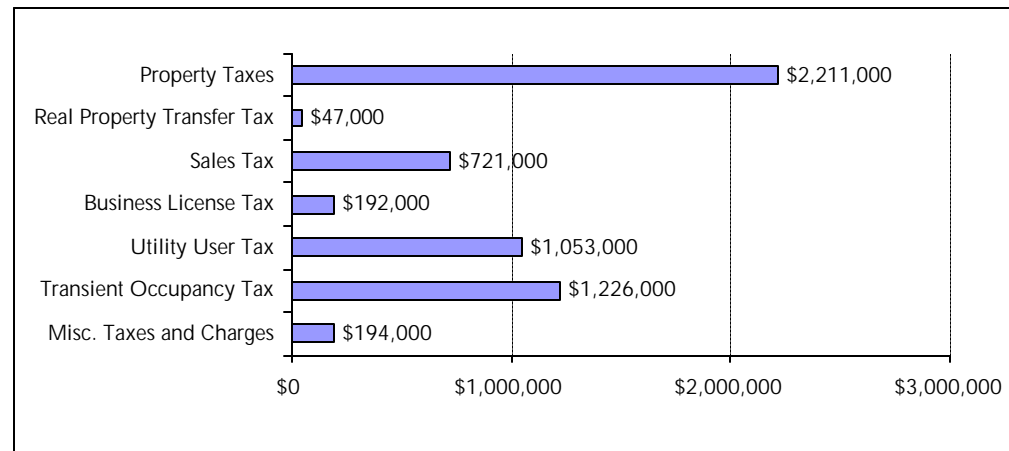
## ANNUAL RECURRING REVENUES

Douglas Park is expected to generate City General Fund revenues in several categories. They include: Property Tax; Real Property Transfer Tax; Sales Tax; Business License Tax, Utility Users Tax (UUT); Transient Occupancy Tax (TOT); and Miscellaneous Taxes and Charges (Motor Vehicle In-Lieu Fee and Library Penalties).

At full development, the total annual recurring revenues generated to the City of Long Beach by Douglas Park is estimated at \$5.6 million (constant 2003 dollars). Property Taxes, Utility Users Taxes, and Transient Occupancy Taxes comprise the bulk of revenues, representing 39%, 19%, and 22% of revenues, respectively. Figure 4 provides a summary of total revenues by category (Exhibit I-2).

**Figure 4**

***Total Revenues by Category  
Douglas Park, Long Beach***



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## Property Tax

Property Taxes are levied on the assessed value of all real property. The County of Los Angeles collects the tax and then distributes to cities, school districts, and the County. Under Proposition 13, adopted by state voters in 1978, new development is taxed based on total sales price, at a rate of 1.0% of assessed value. From this base assessment, subsequent annual increases are limited to a maximum of 2.0%. Increases to full value occur upon change of ownership or property improvements. Of the 1.0% property tax levy on Douglas Park, the City of Long Beach would receive 21.8%.

Applying the 1.0% tax levy and the City's 21.8% share results in estimated Property Tax revenues of \$2.2 million (constant 2003 dollars). (Exhibit II-1)

## Real Property Transfer Tax

When real property is sold or transferred, the City levies a Real Property Transfer Tax at a rate of \$1.10 per \$1,000 of sales price, and the City's General Fund receives 50% of the tax. For-sale residential is estimated to have a sale or turnover rate of 7%, while for-rent residential and commercial properties are estimated to have a turnover rate of 10%.

On an average annual basis, Douglas Park is projected to generate \$47,000 in Real Property Transfer Tax (constant 2003 dollars). (Exhibit II-1)

## Sales Tax

The State of California levies sales tax on gross receipts from the sale of tangible property other than property sold for resale. Sales Tax is payable by retailers, both at retail establishments as well as shops and restaurants located at the hotel (assuming a full-service hotel). The City of Long Beach receives Sales Tax revenue equal to 1.0% of total taxable sales.

At build-out, City of Long Beach would receive \$721,000 (constant 2003 dollars). (Exhibit II-2)





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## Business License Tax

Business License Taxes are levied on all business establishments located within the City of Long Beach. Businesses must pay a flat annual fee and additional fee per employee. To estimate the number of businesses, RCLCo has assumed average establishment sizes of 5,000 square feet for retail, 10,000 square feet for office, 15,000 square feet for R&D, 20,000 square feet for light industrial, and 400 rooms per hotel establishment.

Based on the above assumptions, Douglas Park's planned commercial land uses are anticipated to generate annual Business License Tax revenues of \$194,000 (constant 2003 dollars). (Exhibit II-3).

## Utility Users Tax (UUT)

From FY1988 through FY2000, the City of Long Beach's Utility Users Tax (UUT) was levied at a rate of 10.0% of revenues for electricity, natural gas, water, and telecommunications. Since then, the City has gradually decreased the UUT rate to its current rate of 6.0%. Effective October 1, 2004, well before build-out of Douglas Park, the City will levy UUT at a rate of 5.0%. The analysis utilizes the 5% rate, which is scheduled to go into effect later this year.

Utility consumption estimates for electricity, natural gas, and water are based on projections provided by PCR (preparor of the Douglas Park EIR document) and the South Coast Air Quality Management District CEQA Air Quality Handbook. Annual expenditure for telecommunications among households is based on national consumer expenditure patterns. Annual telecommunications expenditures for commercial uses are based on the proportion of expenditures relative to a business's total gross revenues, based on information from the Federal Communications Commission.

Based on the above assumptions, Douglas Park is projected to generate annual UUT revenues of \$1.1 million (constant 2003 dollars). (Exhibit II-4)



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## Transient Occupancy Tax (TOT)

Within the City of Long Beach, the Transient Occupancy Tax (TOT) is levied at a rate of 12.0% of gross receipts from hotel rooms. For Douglas Park's proposed 400 hotel rooms, RCLCo has assumed an average daily room rate of \$100 per night, based on comparable business-serving hotels in Long Beach, and an occupancy rate of 70%. At build-out, Douglas Park's planned hotels are anticipated to generate \$1.2 million annually in TOT revenue (constant 2003 dollars). (Exhibit II-5)

## Miscellaneous Taxes and Charges

Douglas Park would also provide additional revenues to the City of Long Beach General Fund through specific Miscellaneous Taxes and Charges. Per discussions with the City of Long Beach, Motor Vehicle In-Lieu Fees and Library Charges would provide additional revenues to the City. (Exhibit II-6)

- *Motor Vehicle In-Lieu Fees:* A license fee equivalent to 2.0% of the market value of motor vehicles is received from the State annually in lieu of local property taxes, and subsequently transferred to municipalities. Revenues from this category are based on a per capita estimate of \$70 per City of Long Beach resident. Douglas Park would generate an additional \$192,000 per year (constant 2003 dollars).
- *Library Penalties:* Library Penalties are based on a per capita estimate of \$0.51 per City of Long Beach resident. Estimated revenues generated by Douglas Park total \$1,400 (constant 2003 dollars).

The sum of Motor Vehicle In-Lieu Fees and Library Charges generated by Douglas Park amounts to about \$194,000 annually to the City's General Fund.



## ANNUAL RECURRING EXPENDITURES

Douglas Park's commercial and residential land uses will increase the demand for various municipal services, resulting in increased General Fund costs for the City of Long Beach. RCLCo employed two methods to determine annual expenditures to the City generated by the project: Marginal Cost Approach and the Average Cost Approach.

- Under the Marginal Cost Approach, RCLCo conducted interviews with City department heads to determine the specific costs to each department. Specific departments which would be affected by Douglas Park include Police; Fire; Library; Parks, Recreation & Marine; and Public Works.
- Under the Average Cost Approach, RCLCo determined average city-wide per acre and per resident departments costs by analyzing the City's budget and applying those factors to Douglas Park. The Average Cost factors are derived from net commercial and residential acres within the City (excluding open space, airport, private and public right-of-ways) and applied to net acres at Douglas Park. (The net commercial and residential acres at Douglas Park represents approximately 89% of residential gross acres and 88% of commercial gross acres.)

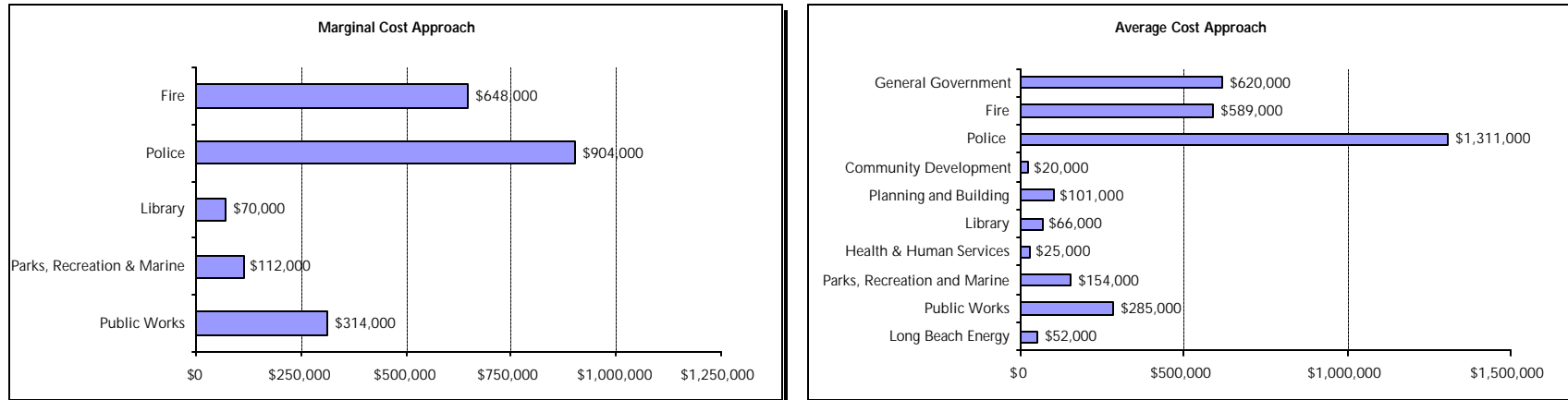
At full development, the total annual recurring expenditures generated by the proposed Douglas Park development is estimated at \$2.0 million under the Marginal Cost Approach and \$3.2 million under the Average Cost Approach (constant 2003 dollars). Figure 5 provides a summary of annual recurring expenditures by City department under both methods. (Exhibits I-2, III-1 to III-3)



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**Figure 5**

**Total Expenditures by Category  
Douglas Park, Long Beach**



## Fire

### Existing Conditions

Long Beach Fire Department (LBFD) consists of four bureaus – Administration, Operations, Fire Prevention and Support Services (training, dispatch center, disaster preparedness, etc.). LBFD has a staff of 135 fire suppression and Emergency Medical Training (EMT) personnel per 24-hour shift. The Department has 435 sworn personnel.

Station 19 (3559 Clark Avenue) in Long Beach has the responsibility to provide the primary medical and fire response to the Long Beach portion of the project site. Stations 17 (2241 Argonne Avenue) and 23 (2300 East 27th Street) have the responsibility to provide secondary and tertiary responses, respectively. The area of the project that is in the City of Lakewood would have primary response from LA County Fire.



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Available equipment at Station 19 includes an engine company (four-person staff on a 24-hour basis) and rescue vehicle (two-person staff on a 24-hour basis). Station 17 maintains a truck vehicle (ladder) and an engine company (both with four-person staffing on a 24-hour basis).

LBFD has an Automatic Aid Agreement with Los Angeles and Orange Counties where the station closest to the emergency is dispatched. Los Angeles County Station No. 122 (2600 Greenmeadow Road) is the closest to the project site (0.8 mile) and would have, if needed, the first-alarm assignment.

In the past, Boeing maintained its own on-site fire department and the capability to provide first aid emergency treatment. LBFD supplemented Boeing's capability as dictated by the emergency.

## ***Projected Impact***

*Marginal Cost Approach.* Given the heights of several of the planned rental apartments and commercial buildings at Douglas Park, LBFD foresees the need for one additional truck company, bringing the City's current inventory of four truck companies to a total of five truck companies. The total annual operating cost of the additional truck company would be \$1.4 million and bring the City's total cost for the five companies to \$7.0 million per year. In addition to Douglas Park, this fifth truck company would service other areas of the City. As such, the marginal cost which is attributed to Douglas Park is calculated based on a pro-rata share of the five truck companies. Based on current acreage distribution and population estimates, the per commercial acre cost is \$376 and \$9 per resident, translating to a total cost of \$70,000 for Douglas Park.

The incremental increase in service calls would generate additional costs for LBFD's Administration, Operations and Support Service Bureaus. LBFD estimates that an additional 550 calls would be generated by Douglas Park, based on the Department's current volume for the City of Signal Hill. The Department estimates the support cost for each call at \$1,071. Based on these current relationships and the estimated number of calls at Douglas Park, the project would generate an additional \$513,000 annually to LBFD's Fire's Administration, Operations and Support Service Bureaus.



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Fire Prevention is responsible for code enforcement (monitoring facilities requiring a fire permit), checking new construction (plan review and on-site inspection), and monitoring special events. Typically, office and industrial space requires an annual inspection; residential uses require no annual inspection. LBFD sees the need for a 0.5 Inspector position (full-time equivalent). The fully “loaded” position (salary, benefits, equipment and City administrative support) totals \$110,000 annually. At a 0.5 position, the annual recurring cost is \$55,000.

In sum, the total marginal cost for LBFD is \$648,000. (Exhibits III-1 and III-2)

*Average Cost Approach:* The FY2003 Budget allocates \$63.8 million to the Fire Department. Using the current acreage distribution within the City of Long Beach, approximately \$3,400 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$80.

Douglas Park encompasses 121 acres of commercial land and 78 acres of residential land which would yield 2,740 residents. Using the cost factors above, the estimated LBFD costs associated with Douglas Park would total approximately \$589,000 (constant 2003 dollars). (Exhibit III-3)

## Police

### *Existing Conditions*

Long Beach Police Department (LBPD) consists of 908 sworn officers, creating a population ratio of 1.96 officers per 1,000. The City strives for a ratio of two officers per 1,000, which is the national average.

LBPD responds to calls for service from four police substations (North, East, South and West). The East Police Substation (4800 Los Coyotes Diagonal) has the primary responsibility to serve Douglas Park. This substation serves the area bounded by the city limits on the north and east, the Pacific Ocean on the south, and Cherry Avenue on the west. The service area of the East Substation is geographically divided and patrolled in 10 beats. The East Substation has a staff of 94 sworn officers and five non-sworn officers that include supervisors, sworn administrative staff, patrol beat officers and community policing officers.



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In FY2000, the East Substation handled approximately 92,000 calls for services within its boundaries. Of this total, over 5,300 were classified as Part I crimes (the most serious crimes including homicide, rape, robbery, assault, burglary, larceny and auto theft). The balance of the calls were classified as Part II crimes (includes malicious mischief, suicide attempts, accidental injuries, accidental deaths, missing persons, and other events).

In the past, the on-site aircraft manufacturing rarely generated calls for service.

## ***Projected Impact***

*Marginal Cost Approach:* The Police Department envisions that the projected multi-use development at Douglas Park would generate increased calls for service involving both emergency and non-emergency calls. The Department believes that the increased demand for police calls can be measured in financial terms by the application of the officer to population service ratio of two officers per 1,000 and the associated equipment and overhead associated with the additional staffing.

The Department forecasts the need for eight sworn officers and one sergeant. Of the eight sworn officers, two would be motorcycle officers. Total annual costs for additional police personnel are as follows: officer, \$84,000; motorcycle officer, \$84,000; and sergeant, \$98,000. These costs represent fully "loaded" positions (salary, benefits, intra-departmental support, and City administrative support).

Additional sworn officers would require police vehicles ("black & whites") equivalent to one police vehicle per 2.5 officers. The projected six officers in effect would require the equivalent of 2.4 vehicles. The cost of a fully-equipped police vehicle is \$44,000 with replacement every four years. Annual maintenance per police vehicle is \$11,000.

The police sergeant requires one fully-equipped vehicle costing \$87,600 with replacement every four years. Annual maintenance for the vehicle is \$17,400.



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The two motorcycle officers require fully-equipped motorcycles costing \$26,100 each with replacement every five years. Annual maintenance per motorcycle is \$10,800.

In addition, Police would require two additional bicycles at \$1,500 each with replacement every four years.

Each police and motorcycle officer requires a hand-held radio. Cost per radio is \$2,580; annual maintenance cost per radio is \$500 (\$42 per month).

Given the above staffing needs and associated equipment costs, Douglas Park's increased demand for Police services would total \$904,000 per year at full development. The components of these costs are as follows: staffing, \$770,000; annual maintenance of vehicles and equipment, \$69,000; and capital outlay (annualized to reflect asset life), \$65,000. (Exhibit III-1)

*Average Cost Approach:* The FY2003 Budget allocates \$142.0 million to the Police Department. Using the current acreage distribution within the City of Long Beach, approximately \$7,600 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$178.

As indicated previously, Douglas Park is expected to develop approximately 121 acres of commercial land and 78 acres of residential land which would yield 2,740 residents. Using the cost factors above, the estimated Police Department costs associated with Douglas Park would total approximately \$1,311,000 (constant 2003 dollars). (Exhibit III-3)





## Library

### *Existing Conditions*

The City's library system consists of one main library and 11 neighborhood libraries. The Main Library is located in Downtown Long Beach adjoining the City Hall. The 11 neighborhood libraries serve the local areas, typically within a one-mile radius of the library.

The Ruth Bach Neighborhood Library (4055 Bellflower Boulevard) is approximately one mile from Douglas Park. Key characteristics of this library are as follows: 1) occupies a 7,000-square foot facility; 2) maintains a collection (books, tapes, videos, etc.) of 46,597 titles; 3) operates with 5.9 personnel (full-time equivalent); 4) serves a neighborhood population of about 30,000; and 5) is open 34 hours per week. Residents can access books and other materials available at other City libraries via the Ruth Bach Library. Currently, no plans exist to expand the Bach Library.

The County of Los Angeles also maintains libraries near Douglas Park. These include the recently renovated Angelo M. Iacoboni Library in Lakewood (4990 Clark Avenue, about one mile northeast of the project) and George Nye, Jr. Library also in Lakewood (6600 Del Amo Boulevard, within two miles of the project). These two libraries have a combined collection of nearly 320,000 titles.

### *Projected Impact*

*Marginal Cost Approach:* The Library Department envisions that the projected residents at Douglas Park would generate increased demand for library services at the Ruth Bach Library. The Department states that increased library usage of the Ruth Bach Library by Douglas Park residents would be equivalent to the percentage relationship between Douglas Park's residential population and the existing Ruth Bach Library neighborhood population of 30,000. The assumption here is that Douglas Park residents are as likely to use the Ruth Bach Library as existing residents.

The fully loaded operations costs (salary, benefits, intra-departmental support, and City administrative support) for the Ruth Bach Library are \$608,000. One-time cost impacts include the cost to expand the



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collection at the Ruth Bach Library to accommodate the Douglas Park resident population. The cost factors entail: 1) 2.1 items per capita; and 2) \$30 per adult title.

Douglas Park's anticipated residential population would augment the Ruth Bach Library neighborhood population base by 9% and commensurately raise the demand for library services. This increased load on the library expressed in financial terms would generate an increase of \$52,000 per year.

Assuming a ten-year life for the expanded collection at Ruth Bach Library to accommodate the Douglas Park resident population, the annualized capital outlay would be \$18,000.

Children's programming provided by the Ruth Bach Library would be unaffected by the Douglas Park resident population.

Daytime workers at Douglas Park are expected to place an insignificant demand on library resources. The expectation is that professional daytime workers would solve their research needs by in-house or on-line reference resources.

The Library Department expects that Douglas Park's resident population demand on the City's library system beyond the Ruth Bach Library would be negligible. The reasons are that most of Douglas Park's impact has been already measured by the preceding Ruth Bach Library analysis and that Douglas Park's population impact is negligible, representing about one percent of the City's current population. (Exhibit III-1)

*Average Cost Approach:* The FY2003 Budget allocates \$11.4 million to the Library Department. The per resident cost is \$24. Given Library's services are primarily oriented to residents and not workers, the commercial acres at Douglas Park would not generate an impact to the department.

Douglas Park is expected to yield approximately 2,740 residents. Using the per capita cost factor above, the estimated Library Department costs associated with Douglas Park would total approximately \$66,000 (constant 2003 dollars). (Exhibit III-3)



## Parks, Recreation & Marine

### *Existing Conditions*

The City of Long Beach Department of Parks, Recreation and Marine (LBDPRM) operates a diverse system of public recreation facilities. Total open space acreage amounts to 2,664 distributed as follows: 1,476 acres of parkland, 568 acres of public golf courses, 247 acres of public beaches and 373 acres used for recreational boating.

Within a one-mile radius of the project site are several parks and recreational facilities. They include: Skylinks Golf Course (18 holes); Veterans Memorial Stadium at Long Beach Community College; Wardlow Park (14.5-acre neighborhood park); Pan American Park (12.3-acre neighborhood park); Somerset Park (neighborhood park); and Heartwell Park (122.5 acres featuring an 18-hole golf course, lake, and various fields for soccer and baseball).

### *Projected Impact*

*Marginal Cost Approach.* The developer expects to form a Property Owners Association that will fund the operation and management of all on-site recreation. For that reason, the Department reports that it would not incur any costs with regard to the operation and maintenance of the proposed open space and recreation.

Discussions with the Recreation Bureau of LBDPRM reveal that the new Douglas Park residents would likely add to the demand for fully utilized program space at nearby Wardlow, Heartwell, and Pan American Parks. Given the young adult orientation of the proposed Douglas Park residents, the expectation is that these new residents would have some impact on participation levels. This condition would be partially mitigated by the 12 acres of parks and open space proposed for Douglas Park.

The Recreation Bureau suggests that a good indicator of possible budget impact is the current citywide per capita cost, estimated at roughly \$41 per Long Beach resident, which includes Recreation Services (\$22



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per resident), Maintenance Operations (\$12 per resident), and Department Support (\$7 per resident). On this basis, the cost impact of Douglas Park is \$112,000 (constant 2003 dollars).

These cost impacts may be interpreted as high estimates, as neighborhood residents would be able to use Douglas Park's public spaces and Douglas Park residents would have access to a variety of on-site recreation amenities that would reduce the need to use off-site public facilities. (Exhibit III-1)

*Average Cost Approach:* The FY2003 Budget allocates \$27.0 million to LBDPRM. The per resident cost is \$56. Given LBDPRM's services and programs are primarily oriented to residents, commercial acres at Douglas Park would not generate an impact to the department.

Applying the above per capita cost factor above to Douglas Park's proposed population of 2,740, the estimated LBDPRM costs associated with Douglas Park would total approximately \$154,000 (constant 2003 dollars). (Exhibit III-3)



## Public Works

### *Existing Conditions*

The Department of Public Works consists of five bureaus. They include: Public Service (maintenance of city infrastructure), Traffic & Transportation (signalization and street markings), City Engineer (design and consultant overview), Airport, and Administration & Planning. The Department maintains 950 lineal miles of street in the City of Long Beach.

### *Projected Impact*

*Marginal Cost Approach:* Douglas Park will fund all street improvements, signalization, signs, and streetlights. Public Works envisions operating cost impacts in several Department functions, including street maintenance, street painting, sidewalk maintenance, signalization, street lights, and street signage.

Decorative street maintenance has an annual cost of \$0.168 per square foot, which represents a 20% higher cost in comparison to regular street maintenance. Douglas Park has 557,400 square feet of street area for the proposed residential land uses and 538,365 square feet of street area for the commercial areas of the project, for a project total of 1,095,765 square feet.

Street painting costs are \$0.33 per square foot of painted lines with a two-year lifespan and \$1.00 per square foot for thermoplastic with a six-year lifespan. Douglas Park has 34,686 square feet of painted area in the residential portions of the project and 19,052 square feet of painted area for commercial uses, for a total of 53,738 square feet.

Sidewalk maintenance costs are \$0.28 per square foot per year. Douglas Park has a total of 255,750 square feet of sidewalks (residential areas have 139,000 square feet and commercial areas have 116,750 square feet).

Signalization costs would be incurred for three new four-way signalized intersections (two on-site, one off-site) and two existing intersections that would be modified. Each intersection signal has a 30-year



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lifespan. Annual costs include \$2,000 per light for maintenance, \$1,000 per light for power, plus \$56 in energy costs for safety lighting.

Street lights costs are \$42 per light per year plus \$56 per year in energy costs. The replacement cost for street lights is \$1,500 and each light has a lifespan of 40 years. Douglas Park will have a total of 154 street lights.

Street signage maintenance costs for 380 stop and traffic signs are \$100 per sign and post, each with a 10-year lifespan.

Based on the above cost inputs, Douglas Park would have an annual cost impact of \$314,000 to Public Works. (Exhibit III-1)

*Average Cost Approach:* The FY2003 Budget allocates \$30.7 million to Public Works. Using the current acreage distribution within the City of Long Beach, approximately \$1,700 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$39.

Using the cost factors above, the estimated Public Works costs associated with Douglas Park totals approximately \$285,000 (constant 2003 dollars). (Exhibit III-3)



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## Other Departments

*Average Cost Approach:* Although the remaining City departments would not be impacted by Douglas Park under the Marginal Cost Approach, the costs to these departments are considered under the Average Cost Approach. The City departments are as follows: (Exhibit III-3)

- **General Government:** The FY2003 Budget allocates \$67.2 million to General Government functions, which includes Mayor and Council, City Prosecutor, City Manager, City Attorney, City Auditor, Civil Service, Financial Management, Interfund and Non-Operating, Police and Fire Pension Fund, Human Resources, and Technology. Using the current acreage distribution within the City of Long Beach, approximately \$3,600 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$84. Based on these cost factors, the estimated General Government cost associated with Douglas Park is approximately \$620,000 (constant 2003 dollars).
- **Community Development:** The estimated Community Development costs associated with Douglas Park is \$20,000 (constant 2003 dollars). Based on the FY2003 Budget allocation of \$2.1 million, approximately \$112 of Community Development costs are attributed to each commercial acre and \$3 of costs are assigned per resident.
- **Planning and Building:** The FY2003 Budget allocates \$10.8 million to Planning and Building. Approximately \$582 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$14. Based on these cost factors, the estimated Planning and Building cost associated with Douglas Park is approximately \$101,000 (constant 2003 dollars).
- **Health and Human Services:** The estimated Health and Human Services cost associated with Douglas Park is \$25,000 (constant 2003 dollars). Based on the FY2003 Budget allocation of \$4.5 million, approximately \$9 of Health and Human Services costs is attributed to each City resident. Given Health and Human Services is primarily oriented to residents and not workers, the commercial acres at Douglas Park would not generate an impact to the department.



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- Long Beach Energy: The FY2003 Budget allocates \$5.7 million to Long Beach Energy. Approximately \$307 is attributed to each commercial acre within the City of Long Beach. The per resident cost is \$7. The estimated Long Beach Energy cost associated with Douglas Park is approximately \$52,000 (constant 2003 dollars).





## GENERAL LIMITING CONDITIONS

The conclusions and recommendations presented in this report were based on our analysis of the information available to us from our own sources and from Boeing Realty Corporation as of November 2003. Given that the proposed concept and development plan for Douglas Park may undergo further refinement, the development program presented and analyzed in this study is based on current estimates and best assumptions at this time. This analysis also assumes that prices, absorption rates, and other market assumptions upon which this report is based will hold true in the foreseeable future. We assume that existing fiscal relationships within the General Fund will continue into the future.

Every reasonable effort has been made to insure that the data contained in this study reflect the most accurate and timely information possible and it is believed to be reliable. This study is based on estimates, assumptions and other information developed by RCLCo from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agent and representatives or any other data source used in preparing or presenting this study. This report is based on information that was current as of the November 2003, and RCLCo has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates or opinions that represent our view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report and the variations may be material. Therefore, no warranty or representation is made by RCLCo that any of the projected values or results contained in this study will actually be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co., LLC" or "RCLCo" in any manner without first obtaining the prior written consent of RCLCo. No abstracting, excerpting or summarization of this study may be made without first obtaining the prior written consent of RCLCo. This report is not to be used in conjunction with any public or private



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offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the Client without first obtaining the prior written consent of RCLCo. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCo.

\* \* \* \* \*

This engagement was conducted by Robert J. Gardner, Managing Director, and Malee C. Tobias, Vice President. If you have any questions regarding the conclusions and recommendations included herein, or wish to learn about other RCLCo advisory services, please call (310) 914-1800.



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**EXHIBITS**



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## *Exhibit I-1*

### NET ANNUAL FISCAL IMPACT AT FULL BUILD-OUT DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

DEVELOPMENT SCENARIO	PROPOSED DEVELOPMENT		TOTAL
	RESIDENTIAL	COMMERCIAL	
Revenues	\$1,601,363	\$4,042,681	\$5,644,044
Expenditures			
Marginal Cost Approach	\$1,500,687	\$547,827	\$2,048,514
Average Cost Approach	\$1,354,637	\$1,868,837	\$3,223,474
<hr/>			
<b>Net Fiscal Impact</b>			
<b>Marginal Cost Approach</b>	\$100,676	\$3,494,854	<b>\$3,595,530</b>
<b>Average Cost Approach</b>	\$246,726	\$2,173,844	<b>\$2,420,570</b>

NOTE: In 2003 constant dollars.

SOURCE: Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit I-2

### SUMMARY OF PROJECTED ANNUAL RECURRING REVENUES AND EXPENDITURES -- AT FULL BUILD-OUT DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

CATEGORY	PROPOSED DEVELOPMENT		TOTAL	% OF TOTAL
	RESIDENTIAL	COMMERCIAL		
REVENUES				
Property Taxes 1/	\$1,218,443	\$992,360	\$2,210,804	39%
Real Property Transfer Tax 1/	\$22,873	\$23,895	\$46,768	1%
Sales Tax 2/	\$0	\$721,418	\$721,418	13%
Business License Tax 3/	\$0	\$191,763	\$191,763	3%
Utility User Tax 4/	\$166,181	\$886,845	\$1,053,025	19%
Transient Occupancy Tax 5/	\$0	\$1,226,400	\$1,226,400	22%
Misc. Taxes and Charges 6/	\$193,866	\$0	\$193,866	3%
TOTAL ANNUAL				
RECURRING REVENUES	\$1,601,363	\$4,042,681	\$5,644,044	100%
PERCENT DISTRIBUTION	28%	72%	100%	

CATEGORY	PROPOSED DEVELOPMENT		TOTAL	% OF TOTAL
	RESIDENTIAL	COMMERCIAL		
EXPENDITURES – MARGINAL COST APPROACH 7/				
Fire	\$253,947	\$393,586	\$647,533	32%
Police	\$904,050	\$0	\$904,050	44%
Library	\$70,200	\$0	\$70,200	3%
Parks, Recreation & Marine	\$112,429	\$0	\$112,429	5%
Public Works	\$160,060	\$154,241	\$314,302	15%
TOTAL ANNUAL RECURRING EXPENDITURES				
	\$1,500,687	\$547,827	\$2,048,514	100%
PERCENT DISTRIBUTION	73%	27%	100%	

# BOEING REALTY CORPORATION

## Exhibit I-2

### SUMMARY OF PROJECTED ANNUAL RECURRING REVENUES AND EXPENDITURES -- AT FULL BUILD-OUT DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

CATEGORY	PROPOSED DEVELOPMENT		TOTAL	% OF TOTAL
	RESIDENTIAL	COMMERCIAL		
EXPENDITURES – AVERAGE COST APPROACH 8/				
General Government	\$230,343	\$389,854	\$620,197	19%
Fire	\$219,374	\$369,908	\$589,282	18%
Police	\$488,108	\$823,207	\$1,311,315	41%
Community Development	\$8,227	\$12,034	\$20,261	1%
Planning and Building	\$38,391	\$62,755	\$101,146	3%
Library	\$65,812	\$0	\$65,812	2%
Health & Human Services	\$24,680	\$0	\$24,680	1%
Parks, Recreation and Marine	\$153,562	\$0	\$153,562	5%
Public Works	\$106,945	\$177,993	\$284,938	9%
Long Beach Energy	\$19,195	\$33,086	\$52,281	2%
TOTAL ANNUAL RECURRING EXPENDITURES	\$1,354,637	\$1,868,837	\$3,223,474	100%
PERCENT DISTRIBUTION	42%	58%	100%	

NOTE: In 2003 constant dollars.

1/ See Exhibit II-1.

2/ See Exhibit II-2.

3/ See Exhibit II-3.

4/ See Exhibit II-4.

5/ See Exhibit II-5.

6/ See Exhibit II-6. Includes Motor Vehicle In-Lieu Fee and Library Penalties.

7/ See Exhibits III-1A, III-1B, and III-1C for Expenditures, Marginal Cost Approach.

8/ See Exhibits III-3A, III-3B, and III-3C for Expenditures, Average Cost Approach.

SOURCE: Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit I-3

### SUMMARY OF DEVELOPMENT CHARACTERISTICS DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

DEVELOPMENT PROGRAM / DISTRICT / LAND USE 1/	TOTAL				DENSITY / F.A.R.			TOTAL POPULATION	MARKET VALUE 2/
	GR. ACRES	UNITS	ROOMS	SQ. FT.	RANGE	GR. DENS.	HEIGHT		
<b>RESIDENTIAL DISTRICT</b>									
FOR-SALE									
SFD - Alley (45'x100')	16.9	105	--	--	--	6.2 du/acre	--	314	\$69,195,000
SFD - Alley (35'x100')	10.8	85	--	--	--	7.9 du/acre	--	254	\$47,345,000
Townhomes (25'x100')	16.1	177	--	--	--	11.0 du/acre	--	375	\$85,491,000
Towns/Flats	25.6	400	--	--	--	15.6 du/acre	--	700	\$166,400,000
Lakewood Condos	4.1	132	--	--	--	32.2 du/acre	--	206	\$48,972,000
Golf Course Condos	4.7	117	--	--	--	24.9 du/acre	--	183	\$59,436,000
TOTAL FOR-SALE	78.2	1,016	--	--	--	13.0 du/acre	--	2,032	\$476,839,000
RENTAL APARTMENTS	9.6	384	--	--	--	40.0 du/acre	--	710	\$82,080,000
RESIDENTIAL SUBTOTAL	87.8	1,400	--	--	--	15.9 du/acre	--	2,742	\$558,919,000
Parks	11.0	--	--	--	--	--	--	--	--
TOTAL RESIDENTIAL DISTRICT	98.8	1,400						2,742	\$558,919,000
<b>COMMERCIAL DISTRICT</b>									
Office	36.9	--	--	900,000	0.40 - 1.50	0.56	3-8 Stories	--	\$153,900,000
R&D	54.2	--	--	1,000,000	0.35 - 0.55	0.42	1-3 Stories	--	\$126,666,700
Light Industrial/Distribution 3/	32.1	--	--	840,000	0.40 - 0.75	0.60	1-2 Stories	--	\$65,835,000
COMMERCIAL SUBTOTAL	123.2	--	--	2,740,000	--	0.51	--	--	--
Retail	10.1	--	--	200,000	--	0.45	--	--	\$46,866,700
Hotel	3.9	--	400	--	--	2.18	--	--	\$41,185,100
Open Space	2.0	--	--	--	--	--	--	--	--
TOTAL COMMERCIAL DISTRICT	139.2	0.0	400	2,940,000					\$434,453,500
<b>PROJECT TOTAL (CITY OF LONG BEACH PORTION ONLY)</b>	<b>238.0</b>	<b>1,400</b>	<b>400</b>	<b>2,940,000</b>				<b>2,742</b>	<b>\$993,372,500</b>

NOTE: In 2003 constant dollars.

1/ Distribution of uses is for study purposes only. Proposed zoning will allow flexibility within commercial and residential zones.

2/ See Exhibit I-5 for market values for for-sale residential. See Exhibit I-6 for market values for rental apartments and commercial uses.

3/ Excludes 23 acres of Light Industrial within the City of Lakewood. Total commercial space in the project including space located in the City of Lakewood is expected to be 3.3 million square feet.

SOURCE: Boeing Realty Corporation; McLarand Vasquez Emsiek & Partners; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

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## *Exhibit I-4*

### PROJECTED POPULATION -- FULL BUILD-OUT DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

PRODUCT TYPE	TOTAL UNITS	AVERAGE HOUSEHOLD SIZE 1/	POPULATION
FOR-SALE			
SFD - Alley (45'x100')	105	2.99	314
SFD - Alley (35'x100')	85	2.99	254
Townhomes (25'x100')	177	2.12	375
Towns/Flats	400	1.75	700
Lakewood Condos	132	1.56	206
Golf Course Condos	117	1.56	183
<u>RENTAL</u>	<u>384</u>	<u>1.85</u>	<u>710</u>
TOTAL	1,400	1.96	2,742

1/ Based on RCLCo analysis of U.S. Census Bureau household size by unit type.

SOURCE: U.S. Census Bureau; Robert Charles Lesser & Co., LLC



# BOEING REALTY CORPORATION

## Exhibit I-5

### PROJECTED MARKET VALUE -- FOR-SALE RESIDENTIAL DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

PRODUCT TYPE	TOTAL UNITS	AVERAGE SIZE (SF)	FLOOR AREA (SF)	AVG. SALE PRICE/SF (2003 \$) 1/	AVG. SALE PRICE/UNIT (2003 \$)	PROJECTED MARKET VALUE (2003 \$)
SFD - Alley (45'x100')	105	3,200	336,000	\$206	\$659,000	\$69,195,000
SFD - Alley (35'x100')	85	2,200	187,000	\$253	\$557,000	\$47,345,000
Townhomes (25'x100')	177	2,200	389,400	\$220	\$483,000	\$85,491,000
Towns/Flats	400	1,600	640,000	\$260	\$416,000	\$166,400,000
Lakewood Condos	132	1,400	184,800	\$265	\$371,000	\$48,972,000
Golf Course Condos	117	2,000	234,000	\$254	\$508,000	\$59,436,000
<b>TOTAL</b>	<b>1,016</b>	<b>1,940</b>	<b>1,971,200</b>	<b>\$247</b>	<b>\$469,000</b>	<b>\$476,839,000</b>

NOTE: In 2003 constant dollars.

1/ Sales price The Concord Group, "Strategic Product Development for the Residential Community of PacificCenter", August 11, 2004. Adjusted for 2003 dollars (2nd half).

SOURCE: Boeing Realty Corporation; The Concord Group; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit I-6

### PROJECTED MARKET VALUE – APARTMENTS, RETAIL, OFFICE, R&D, INDUSTRIAL, AND HOTEL DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

PRODUCT TYPE	FLOOR AREA/ UNITS/ ROOMS	ANNUAL RENT/SQ. FT./ ADR 1/	GROSS RENT/ROOM REVENUES	LESS: VACANCY/ COLLECTION 2/	OTHER REVENUES 3/	EFFECTIVE GROSS INCOME	LESS: DEPARTMENT EXPENSES 4/	LESS: OPERATING EXPENSES 5/	NET OPERATING INCOME	TOTAL MARKET VALUE	MARKET VALUE/SF/ ROOM
Apartments 6/	384	\$24.00	\$9,216,000	(\$460,800)		\$8,755,200		(\$2,188,800)	\$6,566,400	\$82,080,000	\$207
Office	900,000	\$16.20	\$14,580,000	(\$729,000)		\$13,851,000		\$0	\$13,851,000	\$153,900,000	\$171
R&D	1,000,000	\$12.00	\$12,000,000	(\$600,000)		\$11,400,000		\$0	\$11,400,000	\$126,666,700	\$127
Light Industrial	840,000	\$6.60	\$5,544,000	(\$277,200)		\$5,266,800		\$0	\$5,266,800	\$65,835,000	\$78
Retail	200,000	\$22.20	\$4,440,000	(\$222,000)		\$4,218,000		\$0	\$4,218,000	\$46,866,700	\$234
Hotel	400	\$100.00	\$14,600,000	(\$4,380,000)	\$5,033,731	\$15,253,731	(\$6,101,493)	(\$5,033,731)	\$4,118,507	\$41,185,100	\$102,963
<b>TOTAL</b>										<b>\$516,533,500</b>	

ASSUMPTIONS	Monthly Rent/SF	Vacancy				CAP Rate
Apartment	\$2.00	5.0%			25%	8.0%
Office (FSG)	\$1.35	5.0%			0%	9.0%
R&D (NNN)	\$1.00	5.0%			0%	9.0%
Light Industrial (NNN)	\$0.55	5.0%			0%	8.0%
Retail (NNN)	\$1.85	5.0%			0%	9.0%
Hotel (ADR)	\$100.00	30.0%	33%	40%	33%	10.0%

NOTE: In 2003 constant dollars.

1/ Rent figures for Office, R&D, Light Industrial, and Retail per broker discussions. Apartment rent and hotel ADR per RCLCo (assumes a full service hotel).

2/ Vacancy allowance estimated at 5%; 30% for hotel (assumes 70% average occupancy).

3/ Other Revenues (Food and Beverage, Telecommunications, Other Operated Departments, Rentals and Other Income) for a full-service hotel, per PKF Consulting industry statistics. Represents ratio to total hotel revenues.

4/ Departmental Expenses for a full-service hotel, per PKF Consulting industry statistics. Represents ratio to effective gross income.

5/ Operating Expenses per RCLCo. Hotel Operating Expenses per PKF.

6/ For Apartments, assumes average unit size of 1,000 square feet.

SOURCE: Boeing Realty Corporation; PKF Consulting, "Trends in the Hotel Industry, USA"; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit II-1

### PROJECTED PROPERTY TAX AND PROPERTY TRANSFER TAX REVENUE DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

LAND USE	MARKET VALUE 1/	REAL PROPERTY TAX 2/		REAL PROPERTY TRANSFER TAX 3/	
		TOTAL	CITY SHARE	TURNOVER RATE	CITY SHARE
		1.0%	21.8%	Residential - For-Sale Commercial	7.0% 10.0% \$0.55 per \$500 of value 50% to the City
For-Sale Residential	\$476,839,000	\$4,768,390	\$1,039,509		\$18,358
Rental Apartments	\$82,080,000	\$820,800	\$178,934		\$4,514
Office	\$153,900,000	\$1,539,000	\$335,502		\$8,465
R&D	\$126,666,700	\$1,266,667	\$276,133		\$6,967
Light Industrial/Distribution	\$65,835,000	\$658,350	\$143,520		\$3,621
Retail	\$46,866,700	\$468,667	\$102,169		\$2,578
Hotel	\$41,185,100	\$411,851	\$89,784		\$2,265
Unsecured Property 4/	\$20,757,627	\$207,576	\$45,252		
TOTAL	\$1,014,130,127	\$10,141,301	<b>\$2,210,804</b>		<b>\$46,768</b>

NOTE: In 2003 constant dollars.

1/ See Exhibit I-5 for residential market values and Exhibit I-6 for commercial market values.

2/ Applies 1% property tax levy on total assessed value. City receives 21.8% of 1% assessment by the County.

3/ Assessed at \$0.55 per \$500 of sales price of real property, of which the City receives \$0.275 (50%). Assumes 7% of for-sale homes turnover annually, based on the American Housing Survey for Los Angeles County (1999). Assumes 10% of commercial properties turnover on an annual average basis.

4/ For FY2002, unsecured property represented 4.56% of total City-wide assessed valuation (unsecured property is generally associated with commercial uses).

SOURCE: Department of Financial Management, City of Long Beach; U.S. Census Bureau; Boeing Realty Corporation; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit II-2

### PROJECTED SALES TAX REVENUE DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

LAND USE	FLOOR AREA (SF)	AVERAGE OCCUPANCY	SALES PER SF	TAXABLE SALES	CITY SHARE 1/
					1.00%
Retail	200,000	95%	\$350	\$66,500,000	\$665,000

LAND USE	TOTAL HOTEL REVENUE (LESS VACANCY)	OTHER HOTEL REVENUES (% OF TOTAL) 2/	TOTAL OTHER HOTEL REVENUES	CITY SHARE 1/
				1.00%
Hotel	\$15,253,731	27%	\$5,641,791	\$56,418

**TOTAL CITY SHARE  
OF SALES TAX REVENUE**

**\$721,418**

NOTE: In 2003 constant dollars.

1/ 1.00% of taxable sales are returned to the City of Long Beach.

2/ Represents other revenues from food and beverage, per PKF Consulting industry statistics.

SOURCE: Department of Financial Management, City of Long Beach; PKF Consulting, "Trends in the Hotel Industry, USA"; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit II-3

### PROJECTED BUSINESS LICENSE TAX REVENUE DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

LAND USE	PROPOSED BUILD-OUT 1/	AVERAGE OCCUPANCY	NUMBER OF BUSINESSES		NUMBER OF EMPLOYEES		BUSINESS LICENSE TAX RATES		TOTAL BUSINESS LICENSE TAX REVENUE
			AVG. SIZE OF BUSINESS 2/	NUMBER OF BUSINESSES	SF OR ROOMS/ EMPLOYEE 2/	TOTAL EMPLOYEES	BASE RATE PER BUSINESS	RATE PER EMPLOYEE 3/	
Office	900,000 SF	95%	10,000 SF	86	250 SF	3,420	\$259.70	\$20.23	\$91,521
R&D	1,000,000 SF	95%	15,000 SF	63	425 SF	2,235	\$259.70	\$20.23	\$61,575
Light Industrial	840,000 SF	95%	20,000 SF	40	600 SF	1,330	\$259.70	\$6.74	\$19,352
Retail	200,000 SF	95%	5,000 SF	38	400 SF	475	\$259.70	\$6.74	\$13,070
Hotel	400 rooms	70%	400 rooms	1	0.9 rooms	444	\$259.70	\$13.48	\$6,245
TOTAL				228		7,904			<b>\$191,763</b>

NOTE: In 2003 constant dollars.

1/ See Exhibit I-3 for project build-out.

2/ RCLCo estimate.

3/ Rates per Business Development Center based on new rates effective July 1, 2003. The City of Long Beach charges a \$259.70 base rate per business, plus an additional fee per employee, varying from \$6.74 to \$20.23. Assumes Professional Per Employee rate for Office and R&D, Warehouse Per Employee rate for Light Industrial; Services Per Employee rate for Hotel; and Retail Per Employee rate for Retail.

SOURCE: Business Development Center, City of Long Beach; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit II-4

### PROJECTED UTILITY USERS TAX (UUT) REVENUE DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

LAND USE	ELECTRICITY 3/											
	PROPOSED BUILD-OUT 1/			PEAK DEMAND CAPACITY		PROJECTED ELECTRICITY CONSUMPTION		ESTIMATED COSTS				UTILITY USERS TAX REVENUE
								DAILY SERVICE CHARGE/ACCOUNT	DAILY FACILITIES CHARGE (PER KW)	PER UNIT COST (PER KWH)	TOTAL ANNUAL COST	
	EST. NO. OF ACCTS.	PEAK DEMAND FACTOR	TOTAL KILOWATT (KW)	CONSUMPTION FACTOR	ANNUAL KILOWATT HOUR (KWH)							
Utility Users Tax (UUT) Rate 2/												5%
RESIDENTIAL	Units	1,400	1,400	2.925 KW/unit	4,095	5,627 KWh/unit/yr	7,877,800	\$0.0250	--	\$0.13009	\$1,037,598	\$51,880
	Persons	2,742										
COMMERCIAL												
Office	SF	900,000	86	0.0047 KW/SF	4,230	12.95 KWh/SF/yr	11,655,000	\$9.8301	\$0.2170	\$0.11509	\$1,984,958	\$99,248
R&D	SF	1,000,000	63	0.0047 KW/SF	4,700	12.95 KWh/SF/yr	12,950,000	\$9.8301	\$0.2170	\$0.11509	\$2,088,700	\$104,435
Light Industrial	SF	840,000	40	0.0047 KW/SF	3,948	12.95 KWh/SF/yr	10,878,000	\$9.8301	\$0.2170	\$0.11509	\$1,708,151	\$85,408
Retail	SF	200,000	38	0.0042 KW/SF	840	13.55 KWh/SF/yr	2,710,000	\$1.9825	\$0.1775	\$0.1194	\$405,557	\$20,278
Hotel	Rooms	400	1	4.8 KW/room	1,920	7,960 KWh/room/yr	3,184,000	\$9.8301	\$0.2170	\$0.11509	\$522,099	\$26,105
SUBTOTAL, COMMERCIAL												\$335,473
TOTAL												\$387,353

NOTE: In 2003 constant dollars.

1/ See Exhibit I-3 for proposed project build-out. For Residential, assumes one account for each utility per unit. For Commercial, see Exhibit II-3 for estimated number of accounts/business.

2/ Assumes project build-out after 2004. The City's Utility Users Tax Rate will be 5% effective October 1, 2004. For FY98 to FY00, the UUT tax rate was 10%. The UUT rate was reduced to 9% effective October 1, 2000; 8% effective April 1, 2001; 7% effective October 1, 2002; 6% effective October 1, 2003.

3/ Project peak demand per PCR. Annual consumption per South Coast Air Quality Management District CEQA Air Quality Handbook (PCR consumption factors used in the EIR represent peak consumption and yield annual consumption estimates which are higher than typical). Electrical rates per Southern California Edison based on new rates effective June 3, 2001. Residential Daily Service Charge multifamily(\$0.025) rate (unit mix of 100% multifamily). Assumes: General Service Demand rates for Retail, rate is within 300 KW demand; Time-of-Use (TOU) Large Users (> 500KW peak) for Office, Industrial and Hotel; average of mid-peak summer and winter rates.

4/ Project usage factors per PCR. Gas rates per Long Beach Energy Department based on new rates effective October 1, 2001. Rates are per Therm: 1 Therm = 1,000 cubic feet x 1.030 heating factor. Gas rates for residential (\$1.073) represents average of Summer (\$0.489) and Winter (\$1.657) rates, per Schedule 1, Billing Code 3 (Basic plus space heating). Retail rate is based on Schedule 2 rates (Small Commercial Industrial) and average of Daily Service Charge and Tiers I, II and III rates. Office, Industrial and Hotel rates are based on Schedule 3 rates (Commercial & Industrial) and average of Tier I, II and III rates.

5/ Project usage factors per PCR. Water rates per Long Beach Water Department based on new rates effective October 1, 2001. Rates are per Billing Unit: 1 Billing Unit = 100 cubic feet = 748 gallons. Water rate for residential represents Tier II Base Rate. Daily Service Charge assumptions: \$0.255 (3/4-inch service size) for Residential, \$0.385 (1-inch) for Commercial based on median service size of non-residential (i.e., non-3/4-inch service size).

6/ Residential annual telecommunications expenditures per FCC; represents 2000 estimate, adjusted by 3% inflation factor to 2003 dollars. Assumes monthly mobile telephone bill of \$50. Commercial telephone expenditures based on average communications purchases, per the Benchmark Input-Output Accounts of the U.S. Economy (1992), per FCC, calculated as a percentage of gross receipts. Assumes property lease represents 5% of total gross receipts.

SOURCE: PCR; Southern California Edison; Long Beach Energy Department; Long Beach Water Department; Department of Financial Management, City of Long Beach; Federal Communications Commission; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit II-4

### PROJECTED UTILITY USERS TAX (UUT) REVENUE DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

LAND USE	PROPOSED BUILD-OUT 1/		EST. NO. OF ACCOUNTS	NATURAL GAS 4/						UTILITY USERS TAX REVENUE	
				PROJECTED NATURAL GAS CONSUMPTION			ESTIMATED COSTS				
							DAILY SERVICE CHARGE/ ACCOUNT	PER UNIT COST (PER THERM)	TOTAL ANNUAL COST		
	UNITS/SF/ ROOMS		CONSUMPTION FACTOR	ANNUAL CUBIC FEET	THERM						
Utility Users Tax (UUT) Rate 2/											5%
RESIDENTIAL	Units	1,400	1,400	4,011.5 cu. ft./unit/mo.	67,393,200	69,415	\$0.1644	\$1.0730	\$158,491	\$7,925	
	Persons	2,742									
COMMERCIAL											
Office	SF	900,000	86	2.0 cu. ft./SF/mo.	21,600,000	22,248	\$0.4932	\$0.2184	\$20,341	\$1,017	
R&D	SF	1,000,000	63	2.0 cu. ft./SF/mo.	24,000,000	24,720	\$0.4932	\$0.2184	\$16,740	\$837	
Light Industrial	SF	840,000	40	2.0 cu. ft./SF/mo.	20,160,000	20,765	\$0.4932	\$0.2184	\$11,736	\$587	
Retail	SF	200,000	38	2.9 cu. ft./SF/mo.	6,960,000	7,169	\$0.4110	\$0.2184	\$7,266	\$363	
Hotel	Rooms	400	1	3,840.0 cu. ft./room/mo.	18,432,000	18,985	\$0.4932	\$0.2184	\$4,326	\$216	
SUBTOTAL, COMMERCIAL										\$3,020	
TOTAL										\$10,945	

NOTE: In 2003 constant dollars.

1/ See Exhibit I-3 for proposed project build-out. For Residential, assumes one account for each utility per unit. For Commercial, see Exhibit II-3 for estimated number of accounts/business

2/ Assumes project build-out after 2004. The City's Utility Users Tax Rate will be 5% effective October 1, 2004. For FY98 to FY00, the UUT tax rate was 10%. The UUT rate was reduced to 9% effective October 1, 2000; 8% effective April 1, 2001; 7% effective October 1, 2002; 6% effective October 1, 2003

3/ Project peak demand per PCR. Annual consumption per South Coast Air Quality Management District CEQA Air Quality Handbook (PCR consumption factors used in the EIR represent peak consumption and yield annual consumption estimates which are higher than typical). Electrical rates per Southern California Edison based on new rates effective June 3, 2001. Residential Daily Service Charge multifamily(\$0.025) rate (unit mix of 100% multifamily). Assumes: General Service Demand rates for Retail, rate is within 300 KW demand; Time-of-Use (TOU) Large Users (> 500KW peak) for Office, Industrial and Hotel; average of mid-peak summer and winter rates

4/ Project usage factors per PCR. Gas rates per Long Beach Energy Department based on new rates effective October 1, 2001. Rates are per Therm: 1 Therm = 1,000 cubic feet x 1.030 heating factor. Gas rates for residential (\$1.073) represents average of Summer (\$0.489) and Winter (\$1.657) rates, per Schedule 1, Billing Code 3 (Basic plus space heating). Retail rate is based on Schedule 2 rates (Small Commercial Industrial) and average of Daily Service Charge and Tiers I, II and III rates. Office, Industrial and Hotel rates are based on Schedule 3 rates (Commercial & Industrial) and average of Tier I, II and III rates

5/ Project usage factors per PCR. Water rates per Long Beach Water Department based on new rates effective October 1, 2001. Rates are per Billing Unit: 1 Billing Unit = 100 cubic feet = 748 gallons. Water rate for residential represents Tier II Base Rate. Daily Service Charge assumptions: \$0.255 (3/4-inch service size) for Residential, \$0.385 (1-inch) for Commercial based on median service size of non-residential (i.e. non-3/4-inch service size).

6/ Residential annual telecommunications expenditures per FCC; represents 2000 estimate, adjusted by 3% inflation factor to 2003 dollars. Assumes monthly mobile telephone bill of \$50. Commercial telephone expenditures based on average communications purchases, per the Benchmark Input-Output Accounts of the U.S. Economy (1992), per FCC, calculated as a percentage of gross receipts. Assumes property lease represents 5% of total gross receipts.

SOURCE: PCR; Southern California Edison; Long Beach Energy Department; Long Beach Water Department; Department of Financial Management, City of Long Beach; Federal Communications Commission; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit II-4

### PROJECTED UTILITY USERS TAX (UUT) REVENUE DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

LAND USE	PROPOSED BUILD-OUT 1/		EST. NO. OF ACCOUNTS	WATER 5/						
				PROJECTED WATER CONSUMPTION			ESTIMATED COSTS			UTILITY USERS TAX REVENUE
				CONSUMPTION FACTOR	ANNUAL		DAILY SERVICE CHARGE/ ACCOUNT	PER UNIT COST (PER BU)	TOTAL ANNUAL COST	
	GALLONS	BILLING UNIT (BU)								
Utility Users Tax (UUT) Rate 2/										
RESIDENTIAL	Units	1,400	1,400	120 gal/person/day	329,062	440	\$0.2550	\$1.535	\$130,980	\$6,549
	Persons	2,742								
COMMERCIAL										
Office	SF	900,000	86	200 gal/1,000 sf/day	65,700,000	87,834	\$0.3850	\$1.535	\$146,910	\$7,346
R&D	SF	1,000,000	63	200 gal/1,000 sf/day	73,000,000	97,594	\$0.3850	\$1.535	\$158,660	\$7,933
Light Industrial	SF	840,000	40	200 gal/1,000 sf/day	61,320,000	81,979	\$0.3850	\$1.535	\$131,459	\$6,573
Retail	SF	200,000	38	200 gal/1,000 sf/day	14,600,000	19,519	\$0.3850	\$1.535	\$35,302	\$1,765
Hotel	Rooms	400	1	150 gal/room/day	21,900,000	29,278	\$0.3850	\$1.535	\$45,082	\$2,254
SUBTOTAL, COMMERCIAL										\$25,871
TOTAL										\$32,420

NOTE: In 2003 constant dollars.

- 1/ See Exhibit I-3 for proposed project build-out. For Residential, assumes one account for each utility per unit. For Commercial, see Exhibit II-3 for estimated number of accounts/business.
- 2/ Assumes project build-out after 2004. The City's Utility Users Tax Rate will be 5% effective October 1, 2004. For FY98 to FY00, the UUT tax rate was 10%. The UUT rate was reduced to 9% effective October 1, 2000; 8% effective April 1, 2001; 7% effective October 1, 2002; 6% effective October 1, 2003.
- 3/ Project peak demand per PCR. Annual consumption per South Coast Air Quality Management District CEQA Air Quality Handbook (PCR consumption factors used in the EIR represent peak consumption at yield annual consumption estimates which are higher than typical). Electrical rates per Southern California Edison based on new rates effective June 3, 2001. Residential Daily Service Charge multifamily(\$0.025) rate (unit mix of 100% multifamily). Assumes: General Service Demand rates for Retail, rate is within 300 KW demand; Time-of-Use (TOU) Large Users (> 500KW peak) for Office, Industrial and Hotel; average of mid-peak summer and winter rates.
- 4/ Project usage factors per PCR. Gas rates per Long Beach Energy Department based on new rates effective October 1, 2001. Rates are per Therm: 1 Therm = 1,000 cubic feet x 1.030 heating factor. Gas rates for residential (\$1.073) represents average of Summer (\$0.489) and Winter (\$1.657) rates, per Schedule 1, Billing Code 3 (Basic plus space heating). Retail rate is based on Schedule 2 rates (Small Commercial Industrial) and average of Daily Service Charge and Tiers I, II and III rates. Office, Industrial and Hotel rates are based on Schedule 3 rates (Commercial & Industrial) and average of Tier I, II and III rates.
- 5/ Project usage factors per PCR. Water rates per Long Beach Water Department based on new rates effective October 1, 2001. Rates are per Billing Unit: 1 Billing Unit = 100 cubic feet = 748 gallons. Water rate for residential represents Tier II Base Rate. Daily Service Charge assumptions: \$0.255 (3/4-inch service size) for Residential, \$0.385 (1-inch) for Commercial based on median service size of non-residential (i.e. non-3/4-inch service size).
- 6/ Residential annual telecommunications expenditures per FCC; represents 2000 estimate, adjusted by 3% inflation factor to 2003 dollars. Assumes monthly mobile telephone bill of \$50. Commercial telephone expenditures based on average communications purchases, per the Benchmark Input-Output Accounts of the U.S. Economy (1992), per FCC, calculated as a percentage of gross receipts. Assumes property lease represents 5% of total gross receipts.

SOURCE: PCR; Southern California Edison; Long Beach Energy Department; Long Beach Water Department; Department of Financial Management, City of Long Beach; Federal Communications Commission; Robert Charles Lesser & Co., LLC



# BOEING REALTY CORPORATION

## Exhibit II-4

### PROJECTED UTILITY USERS TAX (UUT) REVENUE DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

LAND USE	PROPOSED BUILD-OUT 1/		TELEPHONE 6/ ESTIMATED COSTS				UTILITY USERS TAX REVENUE	TOTAL UTILITY USERS TAX REVENUE, ALL UTILITIES	
			PER RESIDENTIAL UNIT COST	COMM. EXPEND. AS PERCENT OF OUTPUT	TOTAL ANNUAL COST				
	UNITS/SF/ ROOMS	EST. NO. OF ACCOUNTS							
Utility Users Tax (UUT) Rate 2/								5%	
RESIDENTIAL	Units	1,400	1,400	\$1,426	—	\$1,996,542	\$99,827	\$166,181	
	Persons	2,742							
COMMERCIAL									
Office	SF	900,000	86	—	1.00%	\$2,770,200	\$138,510	\$246,120	
R&D	SF	1,000,000	63	—	1.00%	\$2,280,000	\$114,000	\$227,205	
Light Industrial	SF	840,000	40	—	0.60%	\$632,016	\$31,601	\$124,168	
Retail	SF	200,000	38	—	0.95%	\$801,420	\$40,071	\$62,477	
Hotel	Rooms	400	1	—	1.30%	\$3,965,970	\$198,299	\$226,874	
SUBTOTAL, COMMERCIAL						\$522,480		\$886,845	
TOTAL						\$622,307		\$1,053,025	

NOTE: In 2003 constant dollars.

- 1/ See Exhibit I-3 for proposed project build-out. For Residential, assumes one account for each utility per unit. For Commercial, see Exhibit II-3 for estimated number of accounts/businesses.
- 2/ Assumes project build-out after 2004. The City's Utility Users Tax Rate will be 5% effective October 1, 2004. For FY98 to FY00, the UUT tax rate was 10%. The UUT rate was reduced to 9% effective October 1, 2000; 8% effective April 1, 2001; 7% effective October 1, 2002; 6% effective October 1, 2003.
- 3/ Project peak demand per PCR. Annual consumption per South Coast Air Quality Management District CEQA Air Quality Handbook (PCR consumption factors used in the EIR represent peak consumption at yield annual consumption estimates which are higher than typical). Electrical rates per Southern California Edison based on new rates effective June 3, 2001. Residential Daily Service Charge multifamily(\$0.025) rate (unit mix of 100% multifamily). Assumes: General Service Demand rates for Retail, rate is within 300 KW demand; Time-of-Use (TOU) Large Users (> 500KW peak) for Office, Industrial and Hotel; average of mid-peak summer and winter rates.
- 4/ Project usage factors per PCR. Gas rates per Long Beach Energy Department based on new rates effective October 1, 2001. Rates are per Therm: 1 Therm = 1,000 cubic feet x 1.030 heating factor. Gas rates for residential (\$1.073) represents average of Summer (\$0.489) and Winter (\$1.657) rates, per Schedule 1, Billing Code 3 (Basic plus space heating). Retail rate is based on Schedule 2 rates (Small Commercial Industrial) and average of Daily Service Charge and Tiers I, II and III rates. Office, Industrial and Hotel rates are based on Schedule 3 rates (Commercial & Industrial) and average of Tier I, II and III rates.
- 5/ Project usage factors per PCR. Water rates per Long Beach Water Department based on new rates effective October 1, 2001. Rates are per Billing Unit: 1 Billing Unit = 100 cubic feet = 748 gallons. Water rate for residential represents Tier II Base Rate. Daily Service Charge assumptions: \$0.255 (3/4-inch service size) for Residential, \$0.385 (1-inch) for Commercial based on median service size of non-residential (i.e. non-3/4-inch service size).
- 6/ Residential annual telecommunications expenditures per FCC; represents 2000 estimate, adjusted by 3% inflation factor to 2003 dollars. Assumes monthly mobile telephone bill of \$50. Commercial telephone expenditures based on average communications purchases, per the Benchmark Input-Output Accounts of the U.S. Economy (1992), per FCC, calculated as a percentage of gross receipts. Assumes property lease represents 5% of total gross receipts.

SOURCE: PCR; Southern California Edison; Long Beach Energy Department; Long Beach Water Department; Department of Financial Management, City of Long Beach; Federal Communications Commission; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

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## *Exhibit II-5*

### PROJECTED TRANSIENT OCCUPANCY TAX (TOT) REVENUE DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

LAND USE	ROOMS	AVERAGE DAILY ROOM RATE (ADR)	OCCUPANCY	TOTAL ANNUAL ROOM REVENUE	TOTAL TOT REVENUE 1/
					12.0%
Hotel	400	\$100	70%	\$10,220,000	<b>\$1,226,400</b>

NOTE: In 2003 constant dollars.

1/ The City's Transient Occupancy Tax (TOT) rate is 12% of Total Room Revenues.

SOURCE: Department of Financial Management, City of Long Beach; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

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## *Exhibit II-6*

### PROJECTED REVENUE FROM MISCELLANEOUS TAXES AND CHARGES DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

LAND USE	POPULATION	MOTOR VEHICLE IN-LIEU TAX	LIBRARY PENALTIES	TOTAL
Per Capita Revenue Factor 1/		\$70.19	\$0.51	
Total Population, PacifiCenter 2/	2,742			
TOTAL		\$192,467	\$1,400	\$193,866

NOTE: In 2003 constant dollars.

1/ Per Capita factor for Motor Vehicle In-Lieu based on FY03 per capita estimates.

Per Capita factor for Library Penalties based on FY01 per capita estimates.

2/ Estimated population at build-out. See Exhibit I-4 for population estimates.

SOURCE: Department of Financial Management, City of Long Beach; California Department of Finance; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit III-1

### TOTAL PROJECTED ANNUAL EXPENDITURES MARGINAL COST APPROACH DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

CITY OF LONG BEACH DEPARTMENTS	SERVICE REQUIREMENTS 1/	RESIDENTIAL	COMMERCIAL	TOTAL
<b>FIRE DEPARTMENT</b>				
Operations	One truck company (See Exhibit III-2).	\$24,680	\$45,571	\$70,251
	0.5 Inspector Position, Fire Prevention @ \$110,000 per year for a full-time inspector; distributed based upon proportion of planned residential and commercial acreage.	\$21,570	\$33,430	\$55,000
	Estimated 550 annual request calls @ \$1,071 per call; subtract operating cost for additional truck company; distributed based upon proportion of planned residential and commercial acreage.	\$206,332	\$312,467	\$518,799
Capital Outlays	One truck company and equipment @ \$975,000; replacement every 15 years; allocated to 1/5th of City's land area; PacifiCenter represents 6.4% of that portion; distributed based upon proportion of planned residential and commercial acreage.	\$1,366	\$2,117	\$3,483
TOTAL, FIRE DEPARTMENT		\$253,947	\$393,586	\$647,533
<b>POLICE DEPARTMENT 2/</b>				
Operations	6 Officers @ \$84,000 each.	\$504,000		\$504,000
	2 Motorcycle Officers @ \$84,000 each.	\$168,000		\$168,000
	1 Sergeant @ \$98,000 each.	\$98,000		\$98,000
	Annual maintenance per police vehicle @ \$11,000 each; total of 2.4 police vehicles.	\$26,400		\$26,400
	Annual maintenance per sergeant's vehicle @ \$17,400; total of one vehicle.	\$17,400		\$17,400
	Annual maintenance per motorcycle @ \$10,800 each; total of two motorcycles.	\$21,600		\$21,600
	Annual maintenance for radios @ \$500 each; total of eight radios.	\$4,000		\$4,000
Capital Outlays, Annualized	2.4 Police Cars (one per 2.5 officers) @ \$44,000 each; replacement every four years.	\$26,400		\$26,400
	One sergeant's vehicle @ \$87,600; replacement every four years.	\$21,900		\$21,900
	Two motorcycles @ \$26,100 each; replacement every five years.	\$10,440		\$10,440
	Two bicycles @ \$1,500 each; replacement every four years.	\$750		\$750
	8 hand-held radios @ \$2,580; replacement every four years.	\$5,160		\$5,160
TOTAL, POLICE DEPARTMENT		\$904,050	\$0	\$904,050
<b>LIBRARY</b>				
Operations	Workload increase at Bach Library @ 8% (Bach Library population increase) of \$608,000 Bach Library operations budget.	\$52,000		\$52,000
Capital Outlays	Expanded book collection @ 2.1 items per capita, \$30 per title; replacement every ten years.	\$18,200		\$18,200
TOTAL, LIBRARY		\$70,200	\$0	\$70,200

# BOEING REALTY CORPORATION

## Exhibit III-1

### TOTAL PROJECTED ANNUAL EXPENDITURES MARGINAL COST APPROACH DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

CITY OF LONG BEACH DEPARTMENTS	SERVICE REQUIREMENTS 1/	RESIDENTIAL	COMMERCIAL	TOTAL
<b>PARKS, RECREATION &amp; MARINE</b>				
Operations	Recreation Services @ \$22 per resident.	\$60,328		\$60,328
	Maintenance Operations @ \$12 per resident.	\$32,906		\$32,906
	Departmental Support @ \$7 per resident.	\$19,195		\$19,195
Capital Outlays	PacifiCenter funds all park development and open space.			\$0
TOTAL, PARKS, RECREATION & MARINE		\$112,429	\$0	\$112,429
<b>PUBLIC WORKS</b>				
Operations	Decorative street maintenance: @ \$0.168 per sq ft per year of street surface (curb-to-curb, 20% higher than regular paving); 557,400 sf for residential and 538,365 sf for commercial.	\$93,643	\$90,445	\$184,089
	Street painting: \$0.33 per sf of painted lines with a two-year lifespan; \$1.00 per sf for thermoplastic with a 6-year lifespan; 34,686 sf for residential, 19,052 sf for commercial.	\$11,504	\$6,319	\$17,823
	Sidewalk maintenance: @ \$0.28 per sf per year; 139,000 sf for residential and 116,750 sf for commercial.	\$38,920	\$32,690	\$71,610
	Signalization: three new four-way signalized intersections (2 on-site, 1 off-site) and two existing intersections that would be modified; 30-year life; maintenance for each is \$2,000; \$1,000 per meter annually for power; plus \$56 per year in energy costs for safety lighting; distributed based upon proportion of planned residential and commercial acreage.	\$6,319	\$9,794	\$16,113
	Street lights: \$42 per light per year plus \$56 per year in energy costs; replacement cost of \$1,500 with a lifespan of 40 years; 154 street lights; distributed based upon proportion of planned residential and commercial acreage.	\$8,184	\$12,683	\$20,867
	Street signage maintenance: 380 stop and traffic signs @ \$100 per sign and post with a 10-year lifespan; distributed based upon proportion of planned residential and commercial acreage.	\$1,490	\$2,310	\$3,800
Capital Outlays	PacifiCenter funds all street improvements, signalization, signs, and street lights.	\$0	\$0	\$0
TOTAL, PUBLIC WORKS		\$160,060	\$154,241	\$314,302
<b>TOTAL EXPENDITURES</b>		<b>\$1,500,687</b>	<b>\$547,827</b>	<b>\$2,048,514</b>
RECURRING EXPENDITURES		\$1,406,797	\$530,717	\$1,937,514
ANNUALIZED CAPITAL OUTLAYS		\$84,216	\$2,117	\$86,333

NOTE: In 2003 constant dollars. Acreage distribution between residential and commercial is as follows:

1/ All costs based on interviews with various staff members representing each of the above departments.

2/ Assumes 100% of Police Department cost is generated by residential development.

SOURCE: Various department personnel of the City of Long Beach; Robert Charles Lesser & Co., LLC

ACREAGE DISTRIBUTION	
Residential	39%
Commercial	61%

# BOEING REALTY CORPORATION

## Exhibit III-2

### FIRE DEPARTMENT – MARGINAL COST APPROACH DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

BUDGET ITEM	ANNUAL COSTS	COMMERCIAL LAND USE	RESIDENTIAL LAND USE	PER RESIDENT
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#### TRUCK LADDER ENGINE

Incremental Impact – Addition of one truck company at an operations cost (personnel) of \$1,400,000 per year. The additional truck company would bring the City's current inventory of four to a total of five truck companies.

<b>City-wide:</b>	\$7,000,000	\$2,775,000	\$4,225,000	
Five Truck Companies Per Acre or Resident		\$376	\$376	\$9

#### PacifiCenter: Preferred Plan

\$70,251	\$45,571	\$24,680
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LAND USE AND DEVELOPMENT ASSUMPTIONS		
LAND USE	CITY 1/	DOUGLAS PARK 2/
Commercial (Net Acres)	7,377	121.2
<u>Residential (Net Acres)</u>	<u>11,229</u>	<u>78.2</u>
Total (Net Acres)	18,606	199.4
<b>Population</b>	481,000	2,742

NOTE: In constant 2003 dollars.

1/ Per City of Long Beach, "Disposition of Vacant Land, Summer 2001", the City totals 33,825 acres, of which 18,606 acres are considered private commercial and thus property-tax paying (includes land use categories of Commercial, Industrial, Mixed-Use, and Institutional).

The remainder consists of airport, open space, and private and public right-of-ways.

2/ Applied to net acres at Douglas Park. Net-to-gross acre relationship is 89% for residential and 88% for commercial.

SOURCE: City of Long Beach, "Disposition of Vacant Land, 2001"; City of Long Beach Fire Department; Robert Charles Lesser & Co., LLC

# BOEING REALTY CORPORATION

## Exhibit III-3

### TOTAL PROJECTED ANNUAL EXPENDITURES -- REDUCED INTENSITY ALTERNATIVE AVERAGE COST APPROACH DOUGLAS PARK, LONG BEACH SEPTEMBER 2004

BUDGET ITEM	CITY-WIDE					DOUGLAS PARK		
	FY 2003 COSTS	RESIDENTIAL LAND USE		COMMERCIAL LAND USE		TOTAL	RESIDENTIAL LAND USE	COMMERCIAL LAND USE
		TOTAL	PER RESIDENT	TOTAL	PER ACRE			
General Government 3/	\$67,245,386	\$40,583,599	\$84	\$26,661,787	\$3,614	\$620,197	\$230,343	\$389,854
Fire	\$63,804,851	\$38,507,184	\$80	\$25,297,667	\$3,429	\$589,282	\$219,374	\$369,908
Police	\$141,993,827	\$85,695,404	\$178	\$56,298,423	\$7,632	\$1,311,315	\$488,108	\$823,207
Community Development	\$2,075,667	\$1,252,696	\$3	\$822,971	\$112	\$20,261	\$8,227	\$12,034
Planning and Building	\$10,824,513	\$6,532,756	\$14	\$4,291,757	\$582	\$101,146	\$38,391	\$62,755
Library 4/	\$11,375,188	\$11,375,188	\$24	\$0	\$0	\$65,812	\$65,812	\$0
Health & Human Services 4/	\$4,526,454	\$4,526,454	\$9	\$0	\$0	\$24,680	\$24,680	\$0
Parks, Recreation and Marine 4/	\$26,958,658	\$26,958,658	\$56	\$0	\$0	\$153,562	\$153,562	\$0
Public Works	\$30,701,834	\$18,529,017	\$39	\$12,172,817	\$1,650	\$284,938	\$106,945	\$177,993
Long Beach Energy	\$5,706,957	\$3,444,234	\$7	\$2,262,723	\$307	\$52,281	\$19,195	\$33,086
<b>TOTAL</b>	<b>\$365,213,335</b>	<b>\$237,405,190</b>	<b>\$494</b>	<b>\$127,808,145</b>	<b>\$17,325</b>	<b>\$3,223,474</b>	<b>\$1,354,637</b>	<b>\$1,868,837</b>

LAND USE AND DEVELOPMENT ASSUMPTIONS		
LAND USE	CITY 1/	DOUGLAS PARK 2/
Commercial (Net Acres)	7,377	121.2
Residential (Net Acres)	11,229	78.2
Total (Net Acres)	18,606	199.4
Population	481,000	2,742

NOTE: In constant 2003 dollars.

1/ Per City of Long Beach, "Disposition of Vacant Land, Summer 2001", the City totals 33,825 acres, of which 18,606 acres are considered private commercial and thus property-tax paying (includes land use categories of Commercial, Industrial, Mixed-Use, and Institutional). The remainder consists of airport, open space, and private and public right-of-ways.

2/ Applied to net acres at Douglas Park. Net-to-gross acre relationship is 89% for residential and 88% for commercial.

3/ Includes Mayor and Council, Attorney, Auditor, Clerk, Manager, Prosecutor, Financial Management, Interfund and Non-Operating, Police and Fire Pension Plan, Human Resources and Technology.

4/ These departments have primarily a resident orientation.

SOURCE: City of Long Beach, "Disposition of Vacant Land, 2001" and "Adopted Resource Allocation Plan, Fiscal Year 2003"; Robert Charles Lesser & Co., LLC.